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Security Council Committee established pursuant to resolution 1737 (2006)

Note verbale dated 21 February 2007 from the Permanent Mission of Italy to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of Italy to the United Nations presents its compliments to the Chairman of the Committee established pursuant to Security Council resolution 1737 (2006) and has the pleasure to forward Italy's report on steps taken with a view to implementing effectively the provisions set forth in paragraphs 3, 4, 5, 6, 7, 8, 10, 12 and 17 of the above resolution (see annex).

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Annex to the note verbale dated 21 February 2007 from the Permanent Mission of Italy to the United Nations addressed to the Chairman of the Committee

Report on steps taken by the Italian Republic to implement Security Council resolution 1737 (2006)

The Italian Republic has the honour to provide the Security Council Committee established pursuant to resolution 1737 (2006) with the following information regarding the implementation of paragraphs 3, 4, 5, 6, 7, 8, 10, 12 and 17 of the above-mentioned resolution, adopted on 23 December 2006.

Italy is fully committed to the strict implementation of resolution 1737 (2006) and, pending the adoption of the EU common position and Council regulation, has already taken measures aimed at preventing the export and import from Iran of the goods on the lists of the Nuclear Suppliers Group (NSG) and Missile Technology Control Regime (MTCR) as well as to ban transactions with the individuals and entities listed in the annex to resolution 1737 (2006). In particular, since the date of the entry into force of the above-mentioned resolution, Italy has not granted any export licence to Iran related to items subject to the resolution itself. Moreover, Italy has not granted export licences for items that could be used for proliferating activities, though not listed in the relevant NSG and MTCR regimes.

The Italian Government undertook the necessary inter-agency coordination immediately after the Security Council adopted resolution 1737 (2006). This coordination concerned in particular the Custom Office Agency and dual-use exports. The need to observe special caution towards Iranian consignees and end-users has been particularly stressed. In this respect, Italy has always strictly implemented EC Regulation Nr. 1334/2000, which regulates and controls EU dual-use goods and technologies exports on the basis of the lists drawn up in the frame of informal regimes (Wassenaar Arrangement, Australia Group, Missile Technology Control Regime, Nuclear Suppliers Group and Chemical Weapons Convention). Whenever necessary, a so-called "catch-all clause" is activated, pursuant to Art. 4 of EC Reg. Nr. 1334/2000, which provides for controlling any items though not specifically mentioned in the dual-use lists. Furthermore, Italy has always implemented what is stated in Art. 8 of the above-mentioned EC Reg. Nr. 1334/2000, which binds all EU Member States (in a fully automatic way and without requiring new national provisions) to subordinate the grant of dual-use export licences to the respect of obligations coming from EU Council decisions, as well as from United Nations Security Council resolutions. In addition, the Italian system provides for specific sanctions for those who infringe prohibitions pursuant to EC Reg. Nr. 1334/2000. In particular, pecuniary and penal sanctions against the violations of the Italian and Community provisions about dual-use goods exports range from a fine of €10,000 to imprisonment for a term of six years.

With reference to export credit, the Board of Directors of the Italian ECA (SACE) adopted a new cover policy towards Iran, fully implementing resolution 1737 (2006).

Regarding the freeze of funds, other financial assets and economic resources of persons and/or entities designated in the annex to resolution 1737 (2006), as referred to above, EU is setting up legal instruments aimed at implementing these

provisions in the whole EU area. On 12 February 2007 the Council of the European Union politically endorsed a draft common position concerning restrictive measures towards Iran. Preparations are under way to adopt without delay a Council regulation. Further information will be provided to the Security Council Committee once the common position and regulation have been adopted.

Since the meeting of the General Affairs and External Relations Council on 22 January 2007 the Council of the European Union welcomed the measures adopted by resolution 1737 (2006) and called on all countries to implement these measures in full and without delay. Ministers agreed that EU should prevent the export to and import from Iran of the goods on the NSG and MTCR lists; ban transactions with and freeze the assets of individuals and entities covered by the criteria in resolution 1737 (2006); and take measures to prevent Iranian nationals from studying proliferation-sensitive subjects within EU.

However, to this day funds and economic resources belonging to persons or entities designated in the annex have not been detected by preliminary controls carried out in Italy. Persons mentioned in the same annex have not entered into, or transited through, the territory of Italy, and no teaching or training activities among those mentioned in paragraph 17 of resolution 1737 (2006) have been held in Italy or organized by Italian nationals.